

# Union Calendar No. 482

113TH CONGRESS  
2D SESSION

# H. R. 4569

[Report No. 113-642]

To require the Securities and Exchange Commission to make certain improvements to form 10-K and regulation S-K, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

MAY 6, 2014

Mr. GARRETT (for himself and Mr. HURT) introduced the following bill; which was referred to the Committee on Financial Services

DECEMBER 2, 2014

Additional sponsor: Mr. HULTGREN

DECEMBER 2, 2014

Reported with an amendment, committed to the Committee of the Whole House on the State of the Union and ordered to be printed

[Strike out all after the enacting clause and insert the part printed in italic]

# A BILL

To require the Securities and Exchange Commission to make certain improvements to form 10-K and regulation S-K, and for other purposes.

1       *Be it enacted by the Senate and House of Representa-*  
2   *tives of the United States of America in Congress assembled,*

3   **SECTION 1. SHORT TITLE.**

4       This Act may be cited as the “*Disclosure Moderniza-*  
5   *tion and Simplification Act of 2014*”.

6   **SEC. 2. SUMMARY PAGE FOR FORM 10-K.**

7       Not later than the end of the 180-day period begin-  
8   ning on the date of the enactment of this Act, the Securi-  
9   ties and Exchange Commission shall issue regulations to  
10   permit issuers to submit a summary page on form 10-K  
11   (17 C.F.R. 249.310), but only if each item on such sum-  
12   mary page includes a cross-reference (by electronic link  
13   or otherwise) to the material contained in form 10-K to  
14   which such item relates.

15   **SEC. 3. IMPROVEMENT OF REGULATION S-K.**

16       Not later than the end of the 180-day period begin-  
17   ning on the date of the enactment of this Act, the Securi-  
18   ties and Exchange Commission shall revise regulation S-  
19   K (17 C.F.R. 229.10 et seq.)—

20           (1) to further scale or eliminate requirements of  
21   regulation S-K, in order to reduce the burden on  
22   emerging growth companies, accelerated filers, and  
23   smaller reporting companies, and other smaller  
24   issuers; and

1                             (2) to eliminate provisions of regulation S-K,  
2                             required for all issuers, that are duplicative, overlap-  
3                             ping, outdated, or unnecessary.

4                             **SEC. 4. STUDY ON MODERNIZATION AND SIMPLIFICATION**

5                             **OF REGULATION S-K.**

6                             (a) STUDY.—The Securities and Exchange Commis-  
7                             sion shall carry out a study of the requirements contained  
8                             in regulation S-K (17 C.F.R. 229.10 et seq.). Such study  
9                             shall—

10                             (1) determine how best to modernize and sim-  
11                             plify such requirements in a manner that reduces  
12                             the costs and burdens on issuers while still providing  
13                             all material information;

14                             (2) emphasize a company by company approach  
15                             that allows relevant and material information to be  
16                             disseminated to investors without boilerplate lan-  
17                             guage or static requirements while preserving com-  
18                             pleteness and comparability of information across  
19                             registrants; and

20                             (3) evaluate methods of information delivery  
21                             and presentation and explore methods for discour-  
22                             aging repetition and the disclosure of immaterial in-  
23                             formation.

24                             (b) REPORT.—Not later than the end of the 360-day  
25                             period beginning on the date of enactment of this Act, the

1 Commission shall issue a report to the Congress con-  
2 taining—

3           (1) all findings and determinations made in ear-  
4 rying out the study required under subsection (a);

5           (2) specific and detailed recommendations on  
6 modernizing and simplifying the requirements in  
7 regulation S-K in a manner that reduces the costs  
8 and burdens on companies while still providing all  
9 material information; and

10           (3) specific and detailed recommendations on  
11 ways to improve the readability and navigability of  
12 disclosure documents and to discourage repetition  
13 and the disclosure of immaterial information.

14           (e) RULEMAKING.—Not later than the end of the  
15 360-day period beginning on the date that the report is  
16 issued to the Congress under subsection (b), the Commis-  
17 sion shall issue a proposed rule to implement the rec-  
18 commendations of the report issued under subsection (b).

19           (d) RULE OF CONSTRUCTION.—Revisions made to  
20 regulation S-K by the Commission under section 3 shall  
21 not be construed as satisfying the rulemaking require-  
22 ments under this section.

23 **SECTION 1. SHORT TITLE.**

24           *This Act may be cited as the “Disclosure Moderniza-*  
25 *tion and Simplification Act of 2014”.*

1   **SEC. 2. SUMMARY PAGE FOR FORM 10-K.**

2       *Not later than the end of the 180-day period beginning*  
3   *on the date of the enactment of this Act, the Securities and*  
4   *Exchange Commission shall issue regulations to permit*  
5   *issuers to submit a summary page on form 10-K (17 C.F.R.*  
6   *249.310), but only if each item on such summary page in-*  
7   *cludes a cross-reference (by electronic link or otherwise) to*  
8   *the material contained in form 10-K to which such item*  
9   *relates.*

10   **SEC. 3. IMPROVEMENT OF REGULATION S-K.**

11       *Not later than the end of the 180-day period beginning*  
12   *on the date of the enactment of this Act, the Securities and*  
13   *Exchange Commission shall take all such actions to revise*  
14   *regulation S-K (17 C.F.R. 229.10 et seq.)—*

15           *(1) to further scale or eliminate requirements of*  
16   *regulation S-K, in order to reduce the burden on*  
17   *emerging growth companies, accelerated filers, smaller*  
18   *reporting companies, and other smaller issuers, while*  
19   *still providing all material information to investors;*

20           *(2) to eliminate provisions of regulation S-K, re-*  
21   *quired for all issuers, that are duplicative, overlap-*  
22   *ping, outdated, or unnecessary; and*

23           *(3) for which the Commission determines that no*  
24   *further study under section 4 is necessary to deter-*  
25   *mine the efficacy of such revisions to regulation S-K.*

1   **SEC. 4. STUDY ON MODERNIZATION AND SIMPLIFICATION**

2                   **OF REGULATION S-K.**

3         (a) *STUDY.—The Securities and Exchange Commis-*  
4     *sion shall carry out a study of the requirements contained*  
5     *in regulation S-K (17 C.F.R. 229.10 et seq.). Such study*  
6     *shall—*

7                 (1) *determine how best to modernize and sim-*  
8     *plify such requirements in a manner that reduces the*  
9     *costs and burdens on issuers while still providing all*  
10   *material information;*

11                (2) *emphasize a company by company approach*  
12   *that allows relevant and material information to be*  
13   *disseminated to investors without boilerplate language*  
14   *or static requirements while preserving completeness*  
15   *and comparability of information across registrants;*  
16   *and*

17               (3) *evaluate methods of information delivery and*  
18   *presentation and explore methods for discouraging*  
19   *repetition and the disclosure of immaterial informa-*  
20   *tion.*

21         (b) *CONSULTATION.—In conducting the study required*  
22   *under subsection (a), the Commission shall consult with the*  
23   *Investor Advisory Committee and the Advisory Committee*  
24   *on Small and Emerging Companies.*

25         (c) *REPORT.—Not later than the end of the 360-day*  
26   *period beginning on the date of enactment of this Act, the*

1 Commission shall issue a report to the Congress con-  
2 taining—

3 (1) all findings and determinations made in car-  
4 rying out the study required under subsection (a);

5 (2) specific and detailed recommendations on  
6 modernizing and simplifying the requirements in reg-  
7 ulation S-K in a manner that reduces the costs and  
8 burdens on companies while still providing all mate-  
9 rial information; and

10 (3) specific and detailed recommendations on  
11 ways to improve the readability and navigability of  
12 disclosure documents and to discourage repetition and  
13 the disclosure of immaterial information.

14 (d) RULEMAKING.—Not later than the end of the 360-  
15 day period beginning on the date that the report is issued  
16 to the Congress under subsection (c), the Commission shall  
17 issue a proposed rule to implement the recommendations  
18 of the report issued under subsection (c).

19 (e) RULE OF CONSTRUCTION.—Revisions made to reg-  
20 ulation S-K by the Commission under section 3 shall not  
21 be construed as satisfying the rulemaking requirements  
22 under this section.



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